

NHS HEALTH SCOTLAND

Minute of the Audit Committee meeting held at 9.30am on Wednesday 22 June 2016 in NHS Health Scotland, Room G1/2, Meridian Court, Glasgow.

Present: Mr R Pettigrew (Chair)
Ms A Jarvis
Ms R. Dhir
Mr P McColgan
Mr M Craig

In attendance: Mr G McLaughlin
Mr D Crichton
Mr A Patience
Mr A Wilson (FTF)
Ms K Jones (Scott Moncrieff)
Mr N Bennett (Scott Moncrieff)
Ms Kerrigan (Minute)

ACTION**1. Apologies**

Apologies were received from Dr P Stollard.

2. Declaration of Members' Interests

No members' interests were declared.

**3. Minute of previous meeting
(AC Min 3/15)**

The minute of the previous meeting held on 8 June 2016 was agreed as an accurate record subject to the following amendments:

Page 4, paragraph 2, second sentence, delete all after 'programme' and replace with:

"Because EFQM assessments do not happen at regular intervals, the aim will be to provide an annual update at this time of year and a fuller review in the light of any assessment report being available. The report was

ACTION

noted as providing the current best value assurance the committee was looking for.

It was also noted that at the next meeting the Committee will be invited to review the next external assessment report due to be received by the organisation at the end of June”.

4. Action List Update

The action list will be updated and completed items removed.

5. External Audit Update

The report summarised the work undertaken during the 2015/16 annual audit.

Annual Accounts

The planning report presented to the committee picked up a number of audit risks. There were no issues identified with the risks.

The auditor reported that the accounts and supporting papers were of a good standard and thanked the Head of Finance and Procurement and his team for their work and for the smooth running of the audit.

Materiality

There were no changes during the year and the figure remains at £300k.

NHS Care Scheme (change to the superannuation scheme).

It was noted this had an impact on the Remuneration Report for four senior members of staff. This disclosure has now been properly reflected within the Remuneration Report.

Financial Management

It was concluded that the Board had effective arrangements in place for financial management and the use of resources.

It was noted there were no deficiencies identified in systems of internal control.

ACTION

Financial sustainability

The report reflected on the LDP 16/17 and the functional alignment project in terms of HS health and workforce planning.

It was noted the Board had no formal succession planning in place which was a recommendation from Audit Scotland across the NHS.

It was pointed out that the dates in paragraphs 54 and 55 were wrong and therefore should be amended from 2015/16 to 2016/17.

Governance and transparency

It was highlighted that in paragraph 68 of the report which refers to the appointment of four new non-executive appointments, the second set of dates were incorrect.

Value for Money

No issues.

Appendices

The auditor felt the Committee may wish to discuss scenario planning further. It was agreed to look at this later in the year.

It was further agreed that Gerry McLaughlin and Andrew Patience amend the management comments on page p23 and respond to the external auditors.

GMcL/AP

The Committee found the report clear and very helpful and noted the report subject to the amendments as agreed.

This being the last of a 5 year appointment with NHS Health Scotland the Committee thanked Scott Moncrieff for their work over its appointment.

The report, once finalised, will be placed on the Audit Scotland website.

6. Audit Committee Annual Report
(AC Paper 27/16)

ACTION

On the cover paper there are several revisions on 'Principal review areas'.

Under "Governance, risk management and internal control", the last sentence of the second paragraph should now read "The risk appetite will be reviewed and refreshed in line with the new strategic plans during 2016/17".

Page 2, item 2, "Internal audit", wording change
Sentence should read:
"Review the adequacy of internal audit followed by "The adequacy of internal audit....".

Add at end of last sentence: "The Committee concurred with this finding".

On "External audit", the second point should now read:
"The Committee reviewed and commented on the reports prepared by external audit".

With these changes the Committee was happy to accept the report.

Assurance Statements

AC - noted

SGC - noted

HGC - noted

Significant issues letter

There were no significant issues to report and therefore it was agreed the chair sign this letter.

The Committee was happy with the annual report, the Audit Committee annual statement of assurance, the revised versions of the other governance committees and the significant issues letter.

7. Annual Accounts 2015/16
(AC Paper 28/16)

Version 7 of the draft accounts was issued to the Audit Committee on 8th June. There were a number of outstanding points arising from that and an update is summarised in the covering paper.

ACTION

Additional amendments include:

- Page 5, section 3, second paragraph, remove “which we believe is acceptable for an organisation of this type”
- Page 6, second paragraph, remove “using PEST and SWOT analysis to provide that context”.
- Page 14, Board and sub-committee attendance table. It was pointed out that as Margaret Burns and David Crichton are not members of the Audit Committee they would be recorded as ‘in attendance’.

The chair summed up by indicating that the Committee had heard from internal audit through their annual report; external audit through their annual report and had their independent report attached to the accounts; and had seen assurances to the Chief Executive from various committees and from individual Executive Directors. This Committee had prepared its own assurance statement and approved its annual report to the Board. The Committee therefore was happy to recommend to the Board the accounts for approval.

The Chair thanked the Head of Finance & Procurement and his team for their hard work on this.

8. Date of future meetings:

26 August 2016, Boardroom 1/2 Gyle Square
16 November 2016, Room 1/2 Meridian Court
20 January 2017, Boardroom 1/2 Gyle Square
1 February 2017, Boardroom 1/2, Gyle Square

9. Agenda for next meeting

The agenda was noted.

10. Effectiveness of papers

The meeting ran very smoothly and the papers were of good quality.